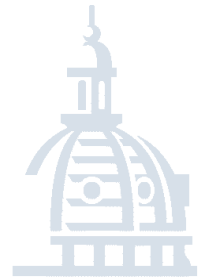


Fiscal Note

Fiscal Services Division



HF 96 – Dentists, Rural Loan Program (LSB 1489 YH)
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Fiscal Note Version – New
Requested by Representative Doris Kelley

Description

House File 96 establishes a loan repayment program for dentists that graduate from the University of Iowa College of Dentistry and agree to practice in an underserved rural community. The College of Dentistry is to recruit and place dental school graduates in communities that agree to participate in the program. The Iowa College Student Aid Commission is to administer the program. The community will negotiate a loan repayment agreement that stipulates the time period the dentist must practice in the community. Community funds will provide at least a one for one match for State funds. The dentist who fails to practice the agreed amount of time will refund the loan repayments.

Assumptions

- Underserved communities need an estimated 50 additional primary care dentists.
- The typical debt for a dental graduate is \$150,000.
- The typical contract period is five years.
- Half the repayment will be paid by the community and half will be paid by the State General Fund.
- Program administration involves identification of eligible communities, contact and promotion of the program with the community, negotiation or facilitation of agreements between communities, dentists, and the College Student Aid Commission or the College of Dentistry, placement of dentists, and monitoring the in-place agreements.

Fiscal Impact

The cost of HF 96 will be determined by the amount appropriated by the General Assembly.

If the maximum number of 50 dentists were each placed with a five-year contract to pay for \$150,000 in debt, then the annual cost to the General Fund would be \$750,000, and the local communities would pay \$750,000. The administration costs are estimated to be up to \$100,000 annually and would either be funded by an appropriation or absorbed as opportunity costs by the College Student Aid Commission and University of Iowa College of Dentistry.

The cost will vary depending on how many dentists choose to participate, the negotiated length of the agreements, the amounts agreed to be repaid, and the local match agreements.

Sources

Iowa College Student Aid Commission
Board of Regents

/s/ Holly M. Lyons

February 9, 2009

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56](#), [Code of Iowa](#). Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.
